(1) ADOPTING STATES TO TRANSMIT.—Upon the 20th State becoming a signatory to the Compact, the adopting States shall transmit a copy of the Compact to Congress.

(2) CONGRESSIONAL ACTION.—

(A) IN GENERAL.—If a joint resolution described in subparagraph (B) is enacted into law within 120 calendar days, excluding congressional recess period days, of Congress receiving the Compact under paragraph (1), then sections 7 and 8 shall apply to the adopting States, and any other State that subsequently adopts the Compact.

(B) JOINT RESOLUTION.—A joint resolution described in this subparagraph is a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: ''That Congress—

''(1) agrees that the uniform, streamlined sales and use tax system described in the Compact transmitted to Congress by the States pursuant to section 6(c)(1) of the Internet Tax Moratorium and Equity Act does not create an undue burden on interstate commerce; and

''(2) authorizes any State that adopts such Compact to require remote sellers to collect and remit sales and use taxes in accordance with such system .''

(C) EXPEDITED PROCEDURE FOR APPROVAL.—

(i) RULES OF HOUSE AND SENATE.—This paragraph is enacted—

(I) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of the joint resolution described in subparagraph (B), and they supersede other rules only to the extent that they are inconsistent therewith, and

(II) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(ii) APPLICABLE PROCEDURAL PROVISIONS.—Except as otherwise provided in this paragraph, the procedures set forth in section 152 (other than subsection (a) thereof) of the Trade Act of 1974 (19 U.S.C. 2192) shall apply to the joint resolution described in subparagraph (B) by substituting the ''Committee on the Judiciary'' for the ''Committee on Ways and Means'' and the ''Committee on Commerce, Science, and Transportation'' for the ''Committee on Finance'' in subsection (b) thereof.

(iii) INTRODUCTION OF JOINT RESOLUTION AFTER COMPACT RECEIVED.—Until Congress receives the Compact described in paragraph (1), it shall not be in order in either House to introduce the joint resolution described in subparagraph (B).

(iv) CONSIDERATION OF JOINT RESOLUTION.—No amendment to the joint resolution described in subparagraph (B) shall be in order in either the House of Representatives or the Senate, and no motion to suspend the application of this clause shall be in order in either House. Within 120 calendar days, excluding congressional recess period days, after the date on which a joint resolution described in subparagraph (B) is introduced in either House, that House shall proceed to a final vote on the joint resolution without intervening action. If either House approves the resolution, it shall be placed on the calendar in the other House, which shall proceed immediately to a final vote on the joint resolution without intervening action.

SEC. 7. AUTHORIZATION TO SIMPLIFY STATE USE-TAX RATES THROUGH AVERAGING.

(a) IN GENERAL.—Subject to the exception in subsection (c), a State that adopts the Compact authorized and approved under section 6 and that levies a use tax shall impose a single, uniform State-wide use-tax rate on all remote sales on which it assesses a use tax for any calendar year for which the State meets the requirements of subsection (b).

(b) AVERAGING REQUIREMENT.—A State meets the requirements of this subsection for any calendar year in which the single, uniform State-wide use-tax rate is in effect if such rate is no greater than the weighted average of the sales tax rates actually imposed by the State and its local jurisdictions during the 12-month period ending on June 30 prior to such calendar year.

(c) ANNUAL OPTION TO COLLECT ACTUAL TAX.—Notwithstanding subsection (a), a remote seller may elect annually to collect the actual applicable State and local use taxes on each sale made in the State.

(d) ALTERNATIVE SYSTEM.—A State that adopts the uniform, streamlined sales and use tax system described in the Compact authorized and approved under section 6 so that remote sellers can use information provided by the State to identify the single applicable rate for each sale, may require a remote seller to collect the actual applicable State and local sales or use tax due on each sale made in the State if the State provides such seller relief from liability to the State for relying on such information provided by the State.

SEC. 8. AUTHORIZATION TO REQUIRE COLLECTION OF USE TAXES.

(a) GRANT OF AUTHORITY.—

(1) STATES THAT ADOPT THE SYSTEM MAY REQUIRE COLLECTION.—Any State that has adopted the system described in the Compact authorized and approved under section 6 is authorized, notwithstanding any other provision of law, to require all sellers not qualifying for the de minimis exception to collect and remit sales and use taxes on remote sales to purchasers located in such State.

(2) STATES THAT DO NOT ADOPT THE SYSTEM MAY NOT REQUIRE COLLECTION.—Paragraph (1) does not extend to any State that does not adopt the system described in the Compact.

(b) NO EFFECT ON NEXUS, ETC.—No obligation imposed by virtue of authority granted by subsection (a)(1) or denied by subsection (a)(2) shall be considered in determining whether a seller has a nexus with any State for any other tax purpose. Except as provided in subsection (a), nothing in this Act permits or prohibits a State—

(1) to license or regulate any person;

(2) to require any person to qualify to transact intrastate business; or

(3) to subject any person to State taxes not related to the sale of goods or services.

SEC. 9. NEXUS FOR STATE BUSINESS ACTIVITY TAXES.

It is the sense of Congress that before the conclusion of the 107th Congress, legislation should be enacted to determine the appropriate factors to be considered in establishing whether nexus exists for State business activity tax purposes.

SEC. 10. LIMITATION.

In general, nothing in this Act shall be construed as subjecting sellers to franchise taxes, income taxes, or licensing requirements of a State or political subdivision thereof, nor shall anything in this Act be construed as affecting the application of such taxes or requirements or enlarging or reducing the authority of any State or political subdivision to impose such taxes or requirements.

SEC. 11. DEFINITIONS.

In this Act:

(1) STATE.—The term ''State'' means any State of the United States of America and includes the District of Columbia.

(2) GOODS OR SERVICES.—The term ''goods or services'' includes tangible and intangible personal property and services.

(3) REMOTE SALE.—The term ''remote sale'' means a sale in interstate commerce of goods or services attributed, under the rules established pursuant to section 5(a)(3), to a particular taxing jurisdiction that could not, except for the authority granted by this Act, require that the seller of such goods or services collect and remit sales or use taxes on such sale.

(4) LOCUS OF REMOTE SALE.—The term ''particular taxing jurisdiction'', when used with respect to the location of a remote sale, means a remote sale of goods or services attributed, under the rules established pursuant to section 5(a)(3), to a particular taxing jurisdiction.

By Mr. REID (for himself and Mr. SMITH of Oregon):

S. 1566. A bill to amend the Internal Revenue Code of 1986 to modify and expand the credit for electricity produced from renewable resources and waste products, and for other purposes; to the Committee on Finance.

Mr. REID. Mr. President, perhaps at no other time in our history is the energy security of the United States more vital to this nation's well being.

We all agree that the United States needs to reduce its dependence on fossil fuels that pollute the environment and undermine our national security interests and balance of trade. Nevadans understand that any responsible energy strategy must encompass conservation, efficiency, and an expanded generating capacity. Developing renewable energy resources represents a responsible way to expand our power capacity without compromising air or water quality. These renewable energy sources can enhance America's energy supply on a time scale of 1–3 years, considerably shorter than times required for fossil-fuel power plants.

I rise today to introduce a bill that expands the existing production tax credit for renewable energy technologies to cover all renewable energy technologies. I want to thank Senator GORDON SMITH for joining me in the introduction of this bill, which sets America on a steady path toward energy independence.

Our legislation will renew the wind power production tax credit and expand the credit to additional renewable resources, including solar power, open-loop biomass, poultry and animal waste, landfill gas, geothermal, incremental geothermal, and incremental hydropower facilities.

The proposed production tax credit for all these renewable energy sources would be made permanent to signal America's long-term commitment to renewable energy resources.

One example that illustrates the need for a permanent tax credit is what I recently learned about a major wind farm project at the Nevada Test Site. It is experiencing delays. The production of electricity in rapidly growing Nevada and the whole western part of the country is important. We need to do something to develop new sources of electricity.

But I found that this project, which is set to go on line, is having difficulty